

Calculate (net LR , net COR , **net income**).

income tax rate: 27%

PREMIUMS & CLMS: p60.20 (total all LOBs)	
prems written less return prems - DIRECT	294,000
prems written less return prems - ASSUMED	212,000
prems written less return prems - CEDED	127,000
net UEP @ beg of yr	120,000
net UEP @ end of yr	111,000
clms inc'd including adj. expenses - DIRECT	186,000
clms inc'd including adj. expenses - ASSUMED	112,000
clms inc'd including adj. expenses - CEDED	115,000

COMMISSIONS: p80.10 (total all LOBs)	
prems written less return prems - DIRECT	78,000
prems written less return prems - CEDED	54,000

net exps for NI

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STMT of INCOME: p20.30	
acquisition expenses: taxes (line 12)	15,000
acquisition expenses: other (line 14)	15,000
general expenses (line 16)	27,000
investment opns - income (line 32)	19,000
investment opns - realized G/L (line 33)	6,000
investment opns - expenses (line 34)	1,100
other revenue (line 44)	500

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net LR	=	47.2%	=	net clms	/	[net WP	-	chg(UEP)]
				183,000	/	379,000	-	-9,000
net COR	=	68.0%	=	net clms	/	net WP		
				+net exps	/	-chg(UEP)		
				264,000	/	388,000		
			<i>net exps</i>	=	81,000			
NI	=	108,332	=	388,000		net WP - chg(UEP)	<---	U/W revenue
				-264,000		net clms + net exps	<---	U/W expense
				19,000		investment opns - income (line 32)	<---	investment revenue
				6,000		investment opns - realized G/L (line 33)	<---	investment revenue
				-1,100		investment opns - expenses (line 34)	<---	investment expense
				500		other revenue (line 44)	<---	other revenue
				=	148,400	x	(1 - tax%)	
				=	148,400	x	73%	

Calculate (net LR , net COR , **net income**).

income tax rate: 28%

PREMIUMS & CLMS: p60.20 (total all LOBs)	
prems written less return prems - DIRECT	292,000
prems written less return prems - ASSUMED	217,000
prems written less return prems - CEDED	115,000
net UEP @ beg of yr	126,000
net UEP @ end of yr	113,000
clms inc'd including adj. expenses - DIRECT	165,000
clms inc'd including adj. expenses - ASSUMED	100,000
clms inc'd including adj. expenses - CEDED	104,000

COMMISSIONS: p80.10 (total all LOBs)	
prems written less return prems - DIRECT	67,000
prems written less return prems - CEDED	56,000

net exps for NI

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STMT of INCOME: p20.30	
acquisition expenses: taxes (line 12)	18,000
acquisition expenses: other (line 14)	16,000
general expenses (line 16)	20,000
investment opns - income (line 32)	16,000
investment opns - realized G/L (line 33)	6,000
investment opns - expenses (line 34)	900
other revenue (line 44)	500

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net LR	=	39.6%	=	net clms	/	[net WP	-	chg(UEP)]
				161,000	/	394,000	-	-13,000
net COR	=	55.5%	=	net clms	/	net WP		
				+net exps		-chg(UEP)		
				226,000	/	407,000		
				<i>net exps</i>	=	65,000		
NI	=	145,872	=	407,000		net WP - chg(UEP)	<---	U/W revenue
				-226,000		net clms + net exps	<---	U/W expense
				16,000		investment opns - income (line 32)	<---	investment revenue
				6,000		investment opns - realized G/L (line 33)	<---	investment revenue
				-900		investment opns - expenses (line 34)	<---	investment expense
				500		other revenue (line 44)	<---	other revenue
				=	202,600	x	(1 - tax%)	
				=	202,600	x	72%	

Calculate (net LR , net COR , **net income**).

income tax rate: 34%

PREMIUMS & CLMS: p60.20 (total all LOBs)	
prems written less return prems - DIRECT	221,000
prems written less return prems - ASSUMED	175,000
prems written less return prems - CEDED	129,000
net UEP @ beg of yr	130,000
net UEP @ end of yr	124,000
clms inc'd including adj. expenses - DIRECT	162,000
clms inc'd including adj. expenses - ASSUMED	120,000
clms inc'd including adj. expenses - CEDED	107,000

COMMISSIONS: p80.10 (total all LOBs)	
prems written less return prems - DIRECT	80,000
prems written less return prems - CEDED	53,000

net exps for NI

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STMT of INCOME: p20.30	
acquisition expenses: taxes (line 12)	19,000
acquisition expenses: other (line 14)	19,000
general expenses (line 16)	20,000
investment opns - income (line 32)	17,000
investment opns - realized G/L (line 33)	5,500
investment opns - expenses (line 34)	1,100
other revenue (line 44)	1,000

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net LR	=	64.1%	=	net clms	/	[net WP	-	chg(UEP)]	
				175,000	/	267,000	-	-6,000	
net COR	=	95.2%	=	net clms	/	net WP			
				+net exps		-chg(UEP)			
				260,000	/	273,000			
				<i>net exps</i>	=	85,000			
NI	=	23,364	=	273,000		net WP - chg(UEP)		<--- U/W revenue	
				-260,000		net clms + net exps		<--- U/W expense	
				17,000		investment opns - income (line 32)		<--- investment revenue	
				5,500		investment opns - realized G/L (line 33)		<--- investment revenue	
				-1,100		investment opns - expenses (line 34)		<--- investment expense	
				1,000		other revenue (line 44)		<--- other revenue	
				=		35,400	x	(1 - tax%)	
				=		35,400	x	66%	

Calculate (net LR , net COR , **net income**).

income tax rate: 26%

PREMIUMS & CLMS: p60.20 (total all LOBs)	
prems written less return prems - DIRECT	286,000
prems written less return prems - ASSUMED	206,000
prems written less return prems - CEDED	130,000
net UEP @ beg of yr	119,000
net UEP @ end of yr	112,000
clms inc'd including adj. expenses - DIRECT	165,000
clms inc'd including adj. expenses - ASSUMED	114,000
clms inc'd including adj. expenses - CEDED	100,000

COMMISSIONS: p80.10 (total all LOBs)	
prems written less return prems - DIRECT	64,000
prems written less return prems - CEDED	50,000

net exps for NI

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STMT of INCOME: p20.30	
acquisition expenses: taxes (line 12)	17,000
acquisition expenses: other (line 14)	15,000
general expenses (line 16)	30,000
investment opns - income (line 32)	17,000
investment opns - realized G/L (line 33)	5,500
investment opns - expenses (line 34)	600
other revenue (line 44)	600

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net LR	=	48.5%	=	net clms	/	[net WP	-	chg(UEP)]	
				179,000	/	362,000	-	-7,000	
net COR	=	69.1%	=	net clms	/	net WP			
				+net exps		-chg(UEP)			
				255,000	/	369,000			
				<i>net exps</i>	=	76,000			
NI	=	101,010	=	369,000		net WP - chg(UEP)		<--- U/W revenue	
				-255,000		net clms + net exps		<--- U/W expense	
				17,000		investment opns - income (line 32)		<--- investment revenue	
				5,500		investment opns - realized G/L (line 33)		<--- investment revenue	
				-600		investment opns - expenses (line 34)		<--- investment expense	
				600		other revenue (line 44)		<--- other revenue	
				=	136,500	x	(1 - tax%)		
				=	136,500	x	74%		